

## EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is made effective as of 3-5-05,  
by and between OPEN ARMS ADULT FOSTER HOME, INC. (the "Employer") and  
Angie Vargas (the "Employee"), (collectively referred to as the  
"Parties").

The Parties agree as follows:

1. **EMPLOYMENT:** Employer shall employ Employee in the position of Resident Care Manager to perform "Companionship Services" as that phrase is defined in OAR 839-020-0004(11). Employee's duties shall include caring for residents in all areas and aspects, making appointments, setting up transportation, medical management, meals, hygiene, up-keep of home and documentation following proper senior services rules and regulations, provided however, that general household work shall not exceed twenty percent of the total weekly hours worked. Employee shall remain on premises twenty-four (24) hours a day, five days a week with sleep for Employee to occur between 8:00 P.M. and 7:00 A.M. during each twenty-four (24) hour shift, provided however, that Employee shall be on call during sleep hours. Actual sleep time, up to eight (8) hours per day, will be deducted from Employee's compensable time for purposes of calculation overtime or minimum wage requirements.

Employer may assign to Employee other duties from time to time as required to meet the purposes of this employment. The Parties agree that Employee's occupancy in the dwelling does not constitute a landlord-tenant relationship and that Employee will leave the premises after twenty-four (24) hours' written notice provided by Employer.

2. **EMPLOYEE COMPENSATION/BENEFITS:** For services provided, Employer will pay Employee an annual monthly salary of \$ 1,200.00, paid in accordance with Employer's annual payroll procedures.

Employee will accrue vacation time at a rate of 1/2 day per month. Vacation approval will be handled in accordance with the normal practices of Employer.

Employee will also receive the following additional benefits:

Room and board valued at \$ 900.00

Utilities valued at \$ 400.00. Any additional features or added changes are to be paid by Employee beyond basic services.

3. **EXPENSES:** Employer will reimburse Employee for reasonable benefits incurred by

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Employee in the performance of his duties. Reimbursement will be handled in accordance with Employer's normal practices and policies.

4. **CONFLICTING EMPLOYMENT:** Employee agrees that during the time of his employment with Employer, he/she will not accept nor will he/she engage in employment, consulting or other business activity directly related to the business of the Company.

5. **CONFIDENTIALITY:** Employee acknowledges that he/she may have access to the Employer's confidential and proprietary information. Such confidential information may include, without limitation, i) business and financial information, ii) business methods and practices, iii) technologies and technological strategies, iv) marketing strategies and other such information as the Employer may designate as confidential ("Confidential information"). Employee agrees to not disclose to any other person (unless required by law) or use for personal gain any Confidential Information at any time during or after the termination of employment, unless Employer grants express, written consent of such a disclosure. In addition, Employee will use his/her best efforts to prevent any such disclosure. Confidential information will not include information that is in the public domain, unless such information falls into public domain through Employee's unauthorized actions.

6. **OTHER RULES AND POLICIES:** Employee agrees to abide by any other rules, policies, or procedures as communicated by Employer that are generally applicable to employees of Employer.

7. **TERMINATION:** This is an "at-will" employment relationship and may be terminated by either Employer or Employee at any time (except for terminations that would be in violation of federal and state law).

8. **RETURN OF PROPERTY:** Upon termination of employment, Employee will return to Employer all drawings, documents, and other tangible manifestations of Confidential Information (and all copies and reproductions thereof). In addition, Employee will return any other property belonging to Employer including without limitation: computers, office supplies, money, and documents.

9. **CONTINUING OBLIGATIONS:** Notwithstanding the termination of Employee for any reason, the provisions of paragraph 5 and 8 of this Agreement will continue in full force and effect following such termination.

10. **BINDING EFFECT:** The covenants and conditions contained in the Agreement shall apply to and bind the Parties and the heirs, legal representatives, successors and permitted assigns of the Parties.

11. **CUMULATIVE RIGHTS:** The Parties' rights under this Agreement are cumulative, and shall not be construed as exclusive of each other unless otherwise required by law.

12. **WAIVER:** The failure of either party to enforce any provisions of this Agreement

shall not be deemed a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of the Agreement.

13. SEVERABILITY: If any part or parts of this Agreement shall be held unenforceable for any reason, the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is deemed invalid or unenforceable by any statute, ordinance or court of competent jurisdiction, and if limiting such provision would make the provision valid, then such provision shall be deemed to be construed as so limited.

14. ENTIRE AGREEMENT: This Agreement constitutes the entire agreement between the Parties and supersedes any prior understanding or representation of any kind preceding the date of this Agreement. There are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Agreement. This Agreement may be modified in writing and must be signed by both Employee and Employer.

15. NOTICE: Employee will give Employer no less than a two (2) week notice of termination of Employment. Any notice required or otherwise given pursuant to this Agreement shall be in writing and mailed certified return receipt requested, postage prepaid, or delivered by overnight delivery service, addressed as follows:

Employer:

*Open Arms Adult Foster Home, Inc.*  
(Sheila Vredenburg, President)  
1570 Aztec Dr.  
Woodburn, Or. 97071

Employee:

Angie Vargas  
371 Willow  
Woodburn, Or. 97071

Either party may change such addresses from time to time by providing notice as set forth above.

16. GOVERNING LAWS: This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year first above written.

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OPEN ARMS ADULT FOSTER HOME, INC.

BY Sheila Vredenburg  
Sheila Vredenburg,  
Authorized Representative

EMPLOYEE:

Angie Vargas  
(Signature)

Angie Vargas  
(Name please print)

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